

**Honouring the Tensions: Corporate Boards at the Interface
of Corporate Governance and Corporate Social
Responsibility**

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Certificate of Original Authorship

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as part of the collaborative doctoral degree and/or fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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List of Acronyms

- ASX - Australian Stock Exchange
- ASIC - Australian Securities & Investments Commission
- BITC - Business in the Community (UK)
- CG - Corporate governance
- CRI - Corporate Responsibility Index
- CSR - Corporate social responsibility
- ESG - Environmental, social and governance
- GRI - Global Reporting Initiative
- MNC - Multinational corporation
- MSI - Multi-stakeholder governance initiative
- NGO - Non-governmental organisation
- PRI - Principles for Responsible Investment
- SASB- Sustainability Accounting Standards Board
- SME - Small and medium-sized enterprise
- UNGC - UN Global Compact
- UNEP - United Nations Environment Program
- UNEP FI -United Nations Environment Program Finance Initiative

Abstract

The operating environment for business has become increasingly complex and interconnected. Globalisation, privatisation and deregulation have meant that corporations have moved far beyond their traditional sphere of influence, giving rise to emergent social, environmental and economic challenges. In response, an evolving corporate social responsibility (CSR) institutional infrastructure has generated a series of voluntary, multi-stakeholder initiatives. Despite their success, unresolved tensions within the institutional field persist whereby a shareholder primacy approach to corporate governance (CG) continues to dominate the broader multi-stakeholder concept of CSR. Whilst increasing numbers of companies report annually on commitments made to such initiatives, the level of engagement of directors of boards, who are ultimately responsible for the CG of their organisations, is not yet understood.

This thesis investigated the gap in both theory and practice at the interface of CSR and CG, exploring beliefs and practices amongst key actors with a primary research focus on boards. The research addressed methodological and conceptual biases in the literature to take a qualitative, interpretive and exploratory approach. Research methods were inductive, adopting constructivist grounded theory to enable a multi-level exploration through the sensemaking of individuals at the CG/CSR interface. The research design employed multi-methods—combining individual interviews, focus groups and ‘directors’ conversations’ to answer calls to access the ‘black box’ of corporate boards and the lack of qualitative research at the interface of CG/CSR. The research sample was predominantly Australian, linked to an international context. The grounded data analysis allowed beliefs and practices associated with logics to emerge inductively from the data. Findings revealed a complex interplay of inherent tensions and multiple institutional demands.

Institutional logics recognise that organisations inhabit pluralistic institutional environments and their governance provides an important setting from which to map multiple and potentially conflicting logics. Adapting Besharov and Smith’s (2014) model of logic multiplicity, I developed a conceptual framework of beliefs and practices of board members and relevant actors at the CG/CSR interface: self-reinforcing systems

that maintain a dominant market logic are being challenged by changing societal expectations. Board members navigate this complexity, giving rise to aligned, contested or estranged typologies of multiple logics. Opportunities for future research at the interface of CG and CSR conclude the thesis.

Keywords: corporate social responsibility, corporate governance, corporate sustainability, corporate boards, institutional theory, institutional logics, paradox.

